

ORDINANCE 10-2022

**TOWN OF LAPEL  
MUNICIPAL WASTEWATER UTILITY  
Madison County, Indiana**

**Financial Rate Study  
July 18, 2022**

**DRAFT**

**(For Discussion Purposes Only)**

# LAPEL MUNICIPAL WASTEWATER UTILITY

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Comparative Receipts and Disbursements Statement**  
For the Years Ended December 31, 2019, 2020 and 2021  
(Unaudited)

Line No.	Year Ended 12/31/21 Col. A	Year Ended 12/31/20 Col. B	Year Ended 12/31/19 Col. C
1	<b><u>OPERATING RECEIPTS</u></b>		
2	\$ 571,858	\$ 579,010	\$ 724,962
3	6,250	9,950	12,145
4	10,981	28,101	2,960
5			
6	<u>\$ 589,089</u>	<u>\$ 617,061</u>	<u>\$ 740,067</u>
7			
8	<b><u>OPERATING DISBURSEMENTS</u></b>		
9	<b><u>Operation and Maintenance</u></b>		
10	\$ 150,634	\$ 152,902	\$ 166,963
11	13,798	13,818	14,023
12	32,495	42,295	37,333
13	85,019	150,476	168,987
14	111,342	79,157	87,953
15	14,973	9,089	3,474
16	-	9,721	-
17	37,896	39,083	38,510
18	5,557	1,239	8,389
19	80	87	2,212
20	3,347	3,764	30,749
21			
22	<u>\$ 455,141</u>	<u>\$ 501,631</u>	<u>\$ 558,593</u>
23			
24	<b><u>TAXES</u></b>		
25	\$ 11,524	\$ 11,656	\$ 12,608
26			
27	<u>\$ 466,665</u>	<u>\$ 513,287</u>	<u>\$ 571,201</u>
28			
29	<u>\$ 122,424</u>	<u>\$ 103,774</u>	<u>\$ 168,866</u>
30			
31	<b><u>OTHER RECEIPTS (DISBURSEMENTS)</u></b>		
32	\$ 233	\$ 193	\$ 3,148
33	5,822	492	410
34	(164)	(444)	(232)
35	96,762	2,062	-
36	(65,500)	(1,298)	-
37	10,000	16,000	24,500
38	-	-	(4,000)
39	(168,446)	(170,046)	(257,937)
40	(31,312)	-	-
41	(75,000)	-	-
42	-	2,543	-
43	-	-	(188,890)
44	37,778	37,778	21,443
45	-	-	110,645
46			
47	<u>\$ (189,827)</u>	<u>\$ (112,720)</u>	<u>\$ (290,913)</u>
48			
49	<u>\$ (67,403)</u>	<u>\$ (8,946)</u>	<u>\$ (122,047)</u>

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Fund Cash & Investment Balances**

Line No.	Fund	As of 12/31/18		Net Change 2019		As of 12/31/19		Net Change 2020		As of 12/31/20		Net Change 2021		As of 12/31/21	
		Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G							
1	Cash Operating	\$ 90,515	\$ (33,556)	\$ 56,959	\$ (28,608)	\$ 28,351	\$ (55,549)	\$ (27,198)							
2															
3	Sinking	106,733	(84,937)	21,796	(186)	21,610	(146)	21,464							
4	Improvement	85,152	45,133	130,285	54,301	184,586	(30,378)	154,208							
5															
6	Cash Reserve	122,304	21,443	143,747	(57,457)	86,290	-	86,290							
7															
8	Service Deposits	(12)	178	166	48	214	5,658	5,872							
9															
10	Impact Fee	30,344	20,500	50,844	16,000	66,844	10,000	76,844							
11															
12	Utility Payment Plan	-	-	-	763	763	31,262	32,025							
13															
14	Savings Account	89,485	11,791	101,276	6,193	107,469	(28,250)	79,219							
15															
16	Improvement SV Act	224,242	(188,890)	35,352	-	35,352	-	35,352							
17															
18	Impact SV ACT	32,775	-	32,775	-	32,775	-	32,775							
19															
20	Sinking SV ACT	106,369	86,291	192,660	-	192,660	-	192,660							
21															
22	Customer Deposit SV Act	5,740	-	5,740	-	5,740	-	5,740							
23															
24	Total	\$ 893,647	\$ (122,047)	\$ 771,600	\$ (8,946)	\$ 762,654	\$ (67,403)	\$ 695,251							
25															

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Pro-Forma Revenue Requirements  
and Proposed Increases**

Line No.	Pro-Forma Revenue Requirements	Reference P - Page C - Column L - Line	Scenario B-1	Scenario A
			Updated Test Year Calendar Year 2021	Original Test Year Calendar Year 2019
1	Operation & Maintenance Expenses	P4 - CE - L20	\$ 487,252	\$ 503,100
2				
3	Taxes	P4 - CE - L25	13,146	13,146
4				
5	Extensions & Replacements (E&R) - Historical	P11 - CD - L47	41,505	47,230
6				
7	Debt Service - Current	P13 - CF - 49	172,730	172,380
8				
9	Debt Service Reserve	P14 - L6	-	-
10				
11	Lease - Dump Truck	(New 2020)	10,588	-
12				
13	Working Capital	P16 - L13	-	-
14				
15	Payment in Lieu of Taxes (PILT)	P17 - L7	12,465	1,000
16				
17	Pro-Forma Revenue Requirements		\$ 737,686	\$ 736,856
18	Less: Other Service Receipts		-	-
19				
20	Adjusted Pro-Forma Revenue Requirements		\$ 737,686	\$ 736,856
21	Less: Pro-Forma Present Rate Revenues		573,621	686,659
22				
23	Increase Required - \$		\$ 164,065	\$ 50,197
24				
25	Increase Required - %		28.6%	7.3%
26				
27				
28	<b>MINIMUM MONTHLY WASTEWATER BILL</b>			
29				
30	Current minimum monthly wastewater charge		\$ 17.30	\$ 17.30
31	Proposed monthly increase		4.95	1.25
32				
33	Proposed minimum monthly wastewater charge		\$ 22.25	\$ 18.55
34				
35				
36				
37	<b>MONTHLY WASTEWATER BILL - (Based on 4,000 gal/mo.)</b>			
38				
39	Current monthly wastewater charge		\$ 39.10	\$ 39.10
40	Proposed monthly increase		11.15	2.85
41				
42	Proposed monthly wastewater charge		\$ 50.25	\$ 41.95

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## LAPEL MUNICIPAL WASTEWATER UTILITY

Madison County, Indiana

### Detail of Adjustments

(1)

To adjust operating receipts to reflect the normalization of sales based on the monthly "Billing Summary Report."

<u>Collection Month</u>	<u>Year</u>	<u>Billing Date</u>		
January	2021	12/30/20	\$	43,392
February	2021	01/29/21		51,141
March	2021	03/04/21		47,361
April	2021	03/31/21		45,087
May	2021	05/03/21		52,145
June	2021	05/28/21		46,828
July	2021	06/29/21		50,575
August	2021	07/28/21		44,143
September	2021	08/27/21		47,948
October	2021	09/24/21		45,555
November	2021	10/28/21		51,316
December	2021	11/30/21		48,130
				<u>48,130</u>
Wastewater service			\$	573,621
Less: Test year				<u>571,858</u>
Adjustment - Increase				<u>\$ 1,763</u>

(2)

To adjust operating receipts to reflect a decrease due to the reclassification of receipts as non-operating or non-recurring.

Tap fees		\$	(6,250)
Police loan repayment	\$	3,153	
Insurance reimbursement		2,040	
Refund (Crossroads)		5,294	
Recovery of write-offs		463	
Miscellaneous		31	
			<u>(10,981)</u>
Adjustment - (Decrease)			<u>\$ (17,231)</u>

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

Detail of Adjustments

(3)

To adjust operating disbursements to reflect an increase in payroll expense.

	Hours		Regular Pay		Pay	Salary	Total Pay	Percentage Allocated to Wastewater	Wastewater Utility's Portion
	Col. A	Col. B	Rate	Col. C					
Town Council (5)	-	-	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	26.7%	\$ 8,000
Clerk-Treasurer	2,080	22.89		47,611	27,270	27,270	31.7%	8,658	
Deputy-Clerk	2,080	16.71		34,757		47,611	33.3%	15,869	
Accounts Payable	-	16.64		-		34,757	33.3%	11,584	
Full/Part-Time Office Employee	-			-		-	33.3%	-	
Utility Superintendent	-	28.85		-	60,000	60,000	33.3%	20,000	
Wastewater Operator	2,080	20.35		42,328		42,328	100.0%	42,328	
Water Operator	2,080	15.97		33,218		33,218	0.0%	-	
Gas Operator	2,080	17.22		35,818		35,818	0.0%	-	
Gas Assistant/Labor	2,080	16.21		33,717		33,717	0.0%	-	
Utility Labor	2,080	15.30		31,824		31,824	33.3%	10,607	
New Employee	2,080	15.00		31,200		31,200	33.3%	10,399	
New Employee	2,080	15.00		31,200		31,200	33.3%	10,399	
Code Enforcement					49,378	49,378	0.0%	-	
Seasonal Labor - 1	1,040	12.50		13,000		13,000	33.3%	4,333	
Seasonal Labor - 2	1,040	16.32		16,973		16,973	33.3%	5,657	
Seasonal Labor - 3	1,040	11.00		11,440		11,440	33.3%	3,813	
Contract Employee	260	40.00		10,400		10,400	50.0%	5,200	
Estimated Overtime				15,000		15,000	100.0%	15,000	
Pro-forma payroll expense				\$ 388,485	\$ 166,648	\$ 555,133		\$ 171,847	
Less: Test year								150,634	
								\$ 21,213	

Adjustment - Increase

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

Detail of Adjustments

(4)

To adjust operating disbursements to reflect an increase in annual PERF payments.

Pro-forma payroll expense	\$ 171,847	
Less: Exempt payroll	<u>27,003</u>	
 Total Pro-Forma Eligible Payroll	 \$ 144,844	
Times: PERF contribution rate	<u>11.20%</u>	
 Pro-forma PERF expense	 \$ 16,223	
Less: Test year	<u>14,023</u>	
Adjustment - Increase		<u><u>\$ 2,200</u></u>

(5)

To adjust operating disbursements to reflect an increase in health/vision insurance expense.

	Health Premium	Vision Premium	Monthly Health/Vision Premium	Percent Charged to Wastewater	Wastewater's Portion
Employee - 1	\$ 1,001	\$ 6	\$ 1,007	33.3%	\$ 336
Employee - 2	549	6	555	0.0%	-
Employee - 3	915	6	921	33.3%	307
Employee - 4	802	6	808	33.3%	269
Employee - 5	491	6	497	0.0%	-
Employee - 6	802	6	808	33.3%	269
Employee - 7	569	6	575	33.3%	192
Employee - 8	503	6	509	33.3%	170
Employee - 9	915	6	921	33.3%	307
Employee - 10	686	6	692	33.3%	231
Employee - 11	-	6	6	0.0%	-
Employee - 12	588	6	594	0.0%	-
Employee - 13	<u>491</u>	<u>6</u>	<u>497</u>	33.3%	<u>166</u>
 Sub-total	 <u>\$ 8,312</u>	 <u>\$ 78</u>	 <u>\$ 8,390</u>		 <u>\$ 2,246</u>
 Times: 12 to annualize					 <u>12</u>
 Pro-forma health/vision insurance expense					 \$ 26,952
Less: Test year					<u>26,850</u>
Adjustment - Increase					<u><u>\$ 103</u></u>

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## LAPEL MUNICIPAL WASTEWATER UTILITY

Madison County, Indiana

### Detail of Adjustments

(6)

To adjust operating disbursements to reflect the normalization of life insurance.

	AU ST & LT Disability	Colonial Life Premium	Total Premium	Percent Charged to Wastewater	Wastewater's Portion
Employee - 1	\$ 45	\$ 42	\$ 86	33.3%	\$ 29
Employee - 2	26	77	103	0.0%	-
Employee - 3	32	42	74	33.3%	25
Employee - 4	24	42	65	33.3%	22
Employee - 5	29	42	70	0.0%	-
Employee - 6	38	42	80	33.3%	27
Employee - 7	24	42	66	33.3%	22
Employee - 8	29	103	132	33.3%	44
Employee - 9	34	65	99	33.3%	33
Employee - 10	25	42	67	33.3%	22
Employee - 11	30	11	41	33.3%	14
Employee - 12	40	191	231	0.0%	-
Employee - 13	29	88	117	0.0%	-
Employee - 14	27	42	69	33.3%	23
Sub-total	<u>\$ 431</u>	<u>\$ 870</u>	<u>\$ 1,301</u>		\$ 260
Times: 12 to annualize					<u>12</u>
Pro-forma health/vision insurance expense					\$ 3,117
Less: Test year					<u>2,784</u>
Adjustment - Increase					<u>\$ 333</u>

(7)

To adjust operating disbursements to reflect a decrease due to the amortization of the State Board of Accounts' audit fee over two years.

Pro-forma audit fee	\$ 5,000			
Divide: Amortization period (years)		<u>2</u>		
Annual expense	\$ 2,500			
Less: Test year		<u>3,314</u>		
Adjustment - (Decrease)				<u>\$ (814)</u>

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Detail of Adjustments**

(8)

To adjust operating disbursements to reflect an increase for rate case expense.

Pro-forma rate case expense	\$ 4,500
Divide: Amortization period (years)	<u>5</u>
Adjustment - Increase	<u><u>\$ 900</u></u>

(9)

To adjust operating disbursements to reflect a decrease due to capitalizing expenditures or reclassifying disbursements as extensions and replacements.

<u>Date</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>
<b><u>Materials &amp; Supplies Account</u></b>			
07/16/21	Complete module	29061	\$ 6,586
			<u>\$ 6,586</u>
<b><u>Repairs</u></b>			
11/19/21	RAS transducer	29356	\$ 2,399
			<u>2,399</u>
<b><u>Outside Services Account</u></b>			
07/07/21	Renovation	29012	\$ 10,420
			<u>10,420</u>
Adjustment - (Decrease)			<u><u>\$ (19,405)</u></u>

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## LAPEL MUNICIPAL WASTEWATER UTILITY

Madison County, Indiana

### Detail of Adjustments

(10)

To adjust operating disbursements to reflect an increase due to inflation.

Pro-forma O & M expenses	\$ 459,670	
Times: Inflation factor	<u>6%</u>	
Adjustment - Increase		<u>\$ 27,582</u>

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(11)

To adjust operating disbursements to reflect an increase in FICA/Medicare tax expense.

Pro-forma payroll expense	\$ 171,847	
Times: FICA/Medicare tax rate	<u>7.65%</u>	
Pro-forma annual expense	\$ 13,146	
Less: Test year	<u>11,524</u>	
Adjustment - Increase		<u>\$ 1,622</u>

---

(12)

To adjust operating receipts to reflect an "across-the-board" increase of 28.6% over present rates.

Pro-forma present rate receipts	\$ 573,621	
Times: Proposed increase	<u>28.6%</u>	
Adjustment - Increase		<u>\$ 164,065</u>

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## LAPEL MUNICIPAL WASTEWATER UTILITY

Madison County, Indiana

### Historical Extensions & Replacements (E&R)

Line No.	<u>Historical Plant Extensions and Replacements (E&amp;R)</u>			
	Description	Date	Check No.	Amount
	Col. A	Col. B	Col. C	Col. D
3	<u>Year 2019</u>			
4	Water softener	02/22/19	26359	\$ 1,395
5	Replacement kit	04/01/19	26463	1,176
6	Truck	05/02/19	26561	3,167
7	Incubator	05/07/19	26593	4,480
8	New work order	06/21/19	26754	1,500
9	Work on 200 S & Bridge	10/29/19	27164	3,567
10	Wabash Scientific	01/18/19	26253	2,375
11	Vehicle	02/13/19	26292	15,764
12	Engineering - Bidding	02/22/19	26348	2,500
13	Engineering - Bidding	03/22/19	26424	1,250
14	Field inspection	03/22/19	26424	500
15	Field inspection	06/21/19	26756	500
16	300 S lift station	08/07/19	26896	14,927
17	Flow meter installation	10/17/19	27122	1,350
18	Pump installation	11/22/19	27224	3,931
19	Auto Pay & Cash Receipt Systems	12/20/19	27338	1,067
20				
21	Total - Calendar year 2019			\$ 59,449
22				
23	<u>Year 2020</u>			
24	Cutter pump #2	01/10/20	27394	\$ 3,931
25	Lift station 300 S	01/10/20	27395	2,318
26	Install backflow (Materials & Supplies)	04/23/20	27733	7,765
27	Cutter pump for main	06/19/20	27857	7,985
28	Install new pump	04/17/20	27697	2,070
29	Grinder pump at shop	08/21/20	28077	1,056
30	Install backflow (Outside Services)	04/23/20	27733	7,765
31	Transfer switch at WP	07/13/20	27949	3,050
32	New effluent/influent	10/27/20	28313	8,571
33	Calibration of new effluent	10/27/20	28314	1,150
34				
35	Total - Calendar year 2020			\$ 45,661
36				
37	<u>Year 2021</u>			
38	Complete module	07/16/21	29061	\$ 6,586
39	RAS transducer	11/19/21	29356	2,399
40	Renovation	07/07/21	29012	10,420
41				
42	Total - Calendar year 2021			\$ 19,405
43				
44	3-Year total			\$ 124,515
45	Divide: Number of years			3
46				
47	Pro-forma Historical E&R (3-year average)			\$ 41,505

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## LAPEL MUNICIPAL WASTEWATER UTILITY

Madison County, Indiana

### Historical Extensions & Replacements vs Depreciation Expense

Line No.	<u>Current Utility Plant E&amp;R (Monthly transfers)</u>	
1	<u>Monthly Transfers for:</u>	
2	Improvement (Depreciation) fund	\$ 2,187
3	Times: 12 to annualize	<u>12</u>
4		
5	Current E&R - (Test year)	<u>\$ 26,244</u>
6		
7		
8	<hr/>	
9		
10	<u>Historical Extensions &amp; Replacements (see previous page)</u>	
11		
12	3-year average	<u>\$ 41,505</u>
13		
14		
15	<hr/>	
16		
17	<u>Depreciation Expense (for illustrative purposes only)</u>	
18		
19	<u>Utility plant in service</u>	
20	Land	\$ 33,840
21	Building	1,518,231
22	Improvements	9,502,862
23	Machinery	<u>161,374</u>
24		
25	Total Utility plant in service	\$ 11,216,307
26	Add: Capitalized expenditures	<u>19,405</u>
27		
28	Adjusted utility plant in service	\$ 11,235,712
29	Less: Land	<u>33,840</u>
30		
31	Depreciable utility plant in service	\$ 11,201,872
32	Times: Depreciation rate	<u>2.50%</u>
33		
34	Pro-Forma Depreciation Expense	<u>\$ 280,045</u>

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## LAPEL MUNICIPAL WASTEWATER UTILITY

Madison County, Indiana

### Bond Amortization Schedule

Sewage Works Refunding Revenue Bonds, Series 2016  
(Originally issued for \$3,105,000 for 28 years at a NIC of 3.55245%)

Line No.	Year	Principal Outstanding	Principal Retired	Interest Expense	Semi-Annual Debt Service	Annual Debt Service
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
1	7/1/2022	\$ 2,635,000	\$ 45,000	\$ 43,491	\$ 88,491	
2	1/1/2023	2,590,000	45,000	43,041	88,041	176,531
3	7/1/2023	2,545,000	45,000	42,506	87,506	
4	1/1/2024	2,500,000	45,000	41,972	86,972	174,478
5	7/1/2024	2,455,000	45,000	41,438	86,438	
6	1/1/2025	2,410,000	45,000	40,903	85,903	172,341
7	7/1/2025	2,365,000	45,000	40,284	85,284	
8	1/1/2026	2,320,000	45,000	39,666	84,666	169,950
9	7/1/2026	2,275,000	45,000	39,047	84,047	
10	1/1/2027	2,230,000	50,000	38,428	88,428	172,475
11	7/1/2027	2,180,000	50,000	37,741	87,741	
12	1/1/2028	2,130,000	50,000	37,053	87,053	174,794
13	7/1/2028	2,080,000	50,000	36,303	86,303	
14	1/1/2029	2,030,000	50,000	35,553	85,553	171,856
15	7/1/2029	1,980,000	50,000	34,803	84,803	
16	1/1/2030	1,930,000	50,000	34,053	84,053	168,856
17	7/1/2030	1,880,000	55,000	33,303	88,303	
18	1/1/2031	1,825,000	55,000	32,478	87,478	175,781
19	7/1/2031	1,770,000	55,000	31,619	86,619	
20	1/1/2032	1,715,000	55,000	30,759	85,759	172,378
21	7/1/2032	1,660,000	55,000	29,900	84,900	
22	1/1/2033	1,605,000	55,000	29,041	84,041	168,941
23	7/1/2033	1,550,000	60,000	28,181	88,181	
24	1/1/2034	1,490,000	60,000	27,244	87,244	175,425
25	7/1/2034	1,430,000	60,000	26,231	86,231	
26	1/1/2035	1,370,000	60,000	25,219	85,219	171,450
27	7/1/2035	1,310,000	60,000	24,206	84,206	
28	1/1/2036	1,250,000	65,000	23,194	88,194	172,400
29	7/1/2036	1,185,000	65,000	22,097	87,097	
30	1/1/2037	1,120,000	65,000	21,000	86,000	173,097
31	7/1/2037	1,055,000	65,000	19,781	84,781	
32	1/1/2038	990,000	70,000	18,563	88,563	173,344
33	7/1/2038	920,000	70,000	17,250	87,250	
34	1/1/2039	850,000	70,000	15,938	85,938	173,188
35	7/1/2039	780,000	70,000	14,625	84,625	
36	1/1/2040	710,000	75,000	13,313	88,313	172,938
37	7/1/2040	635,000	75,000	11,906	86,906	
38	1/1/2041	560,000	75,000	10,500	85,500	172,406
39	7/1/2041	485,000	75,000	9,094	84,094	
40	1/1/2042	410,000	80,000	7,688	87,688	171,781
41	7/1/2042	330,000	80,000	6,188	86,188	
42	1/1/2043	250,000	80,000	4,688	84,688	170,875
43	7/1/2043	170,000	85,000	3,188	88,188	
44	1/1/2044	85,000	85,000	1,594	86,594	174,781
45						
46	Total Outstanding Debt Service		\$ 2,635,000	\$ 1,165,066	\$ 3,800,066	\$ 3,800,066
47	Divide: Number of Years		22	22	22	22
48						
49	Average Annual Debt Service		\$ 119,773	\$ 52,962	\$ 172,730	\$ 172,730
50						
51	Maximum Annual Debt Service					\$ 176,531

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Debt Service Reserve Requirement (DSR)**

<u>Line No.</u>			
1	Available cash for Debt Service Reserve (DSR)	\$	192,660
2	Less: Maximum annual debt service		176,531
3			<hr/>
4	Cash available in excess of DSR requirement	\$	16,129
5			<hr/>
6	DSR Funding Requirement	\$	-
			<hr/> <hr/>

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Pro-Forma Debt Service Reserve Coverage**

<u>Line No.</u>		Actual Test Year C/Y 2021 <u>Col. A</u>	Pro-Forma Scenario B <u>Col. B</u>
1	Pro-forma receipts	\$ 571,858	\$ 737,686
2	Less: Operation & maintenance expenses	455,141	487,252
3	Taxes	11,524	13,146
4	Lease - Dump Truck	10,588	10,588
5			
6	Receipts available for debt service	\$ 94,605	\$ 226,700
7	Maximum annual debt service	176,531	176,531
8			
9	Pro-Forma Debt Service Coverage	<u>0.54</u>	<u>1.28</u>

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## LAPEL MUNICIPAL WASTEWATER UTILITY

Madison County, Indiana

### Working Capital Calculation

Line No.		
1	Pro-forma operation and maintenance expenses	\$ 487,252
2	Less: Purchased Power	32,495
3		
4	Adjusted operation and maintenance expenses	\$ 454,757
5	Divide: FERC 45-day factor	8
6		
7	Sub-total	\$ 56,845
8	Less: Available cash	206,229
9		
10	Working Capital Requirement, if \$0 or less, no working capital	\$ (149,384)
12		
13	Annual Working Capital Requirement	\$ -

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# LAPEL MUNICIPAL WASTEWATER UTILITY

Madison County, Indiana

## Payment in Lieu of Taxes (PILT)

<u>Line</u> <u>No.</u>		
1	Utility plant in service - Adjusted	\$ 11,235,712
2	Less: Accumulated provision for depreciation - Estimated	<u>8,385,496</u>
3		
4	Net utility plant in service	\$ 2,850,216
5	Times: Effective rate	<u>0.4374%</u>
6		
7	Pro-Forma Payment in Lieu of Taxes	<u>\$ 12,465</u>

**LAPÉL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Schedule of Present and Proposed User Rates**  
(Scenario B-1)

	Present Wastewater Rates (a) Col. A	Proposed Wastewater Rates Col. B	Increase	
			Amount Col. C	Percent Col. D
<b>(1) <u>METERED USERS</u></b>				
(a) <u>Base Charge per month</u>				
- 5/8 inch meter	\$ 17.30	22.25	\$ 4.95	28.6%
- 3/4 inch meter	17.30	22.25	4.95	28.6%
- 1 inch meter	23.65	30.40	6.75	28.6%
- 1 1/2 inch meter	36.95	47.50	10.55	28.5%
- 2 inch meter	129.95	167.10	37.15	28.6%
- 3 inch meter	293.90	377.95	84.05	28.6%
- 4 inch meter	518.35	666.60	148.25	28.6%
(b) <u>Treatment charge per 1,000 gallons</u>				
	\$ 5.45	7.00	\$ 1.55	28.4%
<b>(2) <u>UNMETERED RESIDENTIAL USERS</u></b>				
<u>Rate per month</u>				
(Assumes 5,000 gallons of usage)	\$ 44.55	57.30	\$ 12.75	28.6%
<b>(3) <u>FISHERSBURG AREA</u></b>				
<u>Rate per month</u>				
(Assumes 5,000 gallons of usage)	\$ 47.85	61.55	\$ 13.70	28.6%
<b>(4) <u>SURCHARGES</u></b>				
(a) <u>Biochemical Oxygen Demand (BOD)</u>				
(in excess of 160 milligrams per liter)	\$ 0.53	0.68	\$ 0.15	28.6%
(b) <u>Suspended Solids (SS)</u>				
(in excess of 160 milligrams per liter)	\$ 0.53	0.68	\$ 0.15	28.6%

(a) Per Ordinance No. 1, 2009, passed and adopted by Town Council on January 15, 2009.

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Typical Monthly Billing**  
(5/8 & 3/4-inch meter)

Usage (Gallons)	Present Bill	Scenario B-1	
		Proposed Bill	Increase Over Present Rates
0	\$ 17.30	\$ 22.25	\$ 4.95
1,000	22.75	29.25	6.50
2,000	28.20	36.25	8.05
3,000	33.65	43.25	9.60
<b>4,000</b>	<b>39.10</b>	<b>50.25</b>	<b>11.15</b>
5,000	44.55	57.25	12.70
6,000	50.00	64.25	14.25
7,000	55.45	71.25	15.80
8,000	60.90	78.25	17.35
9,000	66.35	85.25	18.90
10,000	71.80	92.25	20.45
15,000	99.05	127.25	28.20
20,000	126.30	162.25	35.95
25,000	153.55	197.25	43.70
30,000	180.80	232.25	51.45
50,000	289.80	372.25	82.45
75,000	426.05	547.25	121.20
100,000	562.30	722.25	159.95

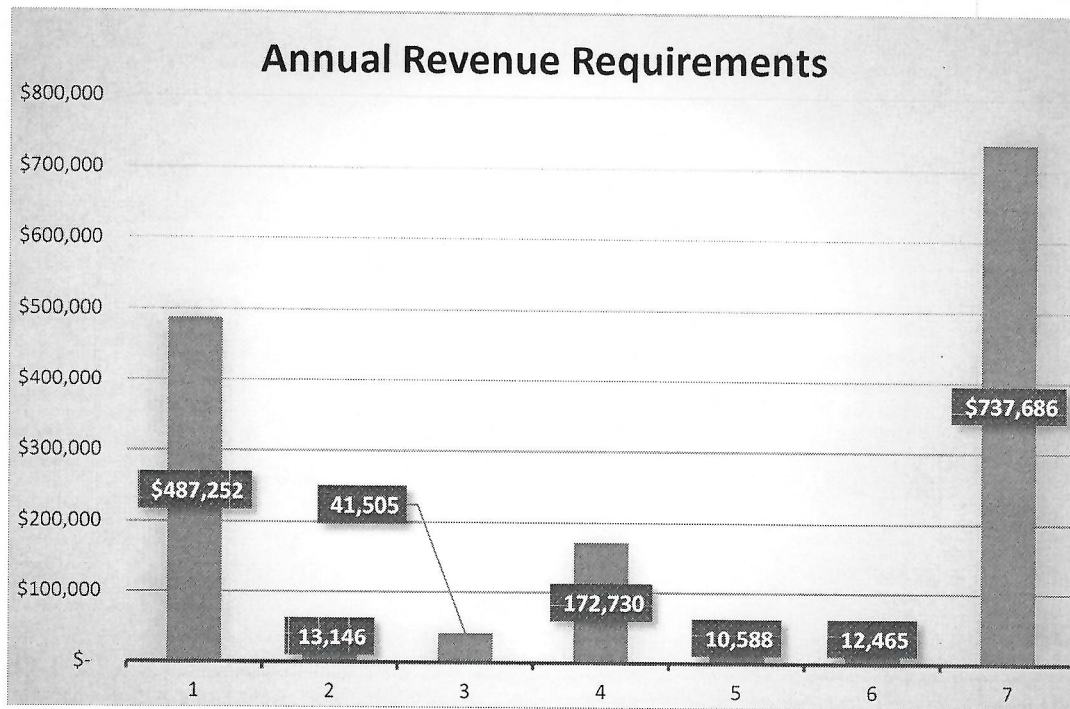
	Present Rates	Pro-Forma Rates - B	Increase
<b>Base Charge:</b>			
3/4" - 5/8" meter	\$ 17.30	\$ 22.25	\$ 4.95
<b>Treatment Charge</b>			
per 1,000 gallons of usage	\$ 5.45	\$ 7.00	\$ 1.55

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**LAPEL MUNICIPAL WASTEWATER UTILITY**  
Madison County, Indiana

**Annual Revenue Requirements**  
(Pro-Forma - Scenario B)

<b>Operating Costs of Wastewater Utility</b>		Amount	Percent
1	O & M Expenses	\$ 487,252	66.1%
2	Taxes	13,146	1.8%
3	E&R	41,505	5.6%
4	Bonds - 2016	172,730	23.4%
5	Lease - Dump Truck	10,588	1.4%
6	PILT	12,465	1.7%
7	Annual Revenue Requirements	<u>\$ 737,686</u>	<u>100.0%</u>



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